### COMMONWEALTH OF VIRGINIA

### STATE CORPORATION COMMISSION

AT RICHMOND, JULY 16, 2021

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2021-00138

For an update of the 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

## ORDER FOR NOTICE AND COMMENT

On July 1, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to §§ 56-577 A 5 and 56-234 A of the Code of Virginia ("Code") for an annual update of its voluntary 100 percent renewable energy tariff, designated Rider TRG. The Application explains that Dominion began offering Rider TRG in July 2020. According to Dominion, as of June 14, 2021, approximately 2,438 customers were enrolled in Rider TRG, and participation continues to grow as more customers become aware of it.<sup>3</sup>

In Case No. PUR-2019-00094, the Commission approved Rider TRG, whereby participating customers can voluntarily elect to purchase 100 percent of their energy and capacity needs sourced from a portfolio of renewable energy resources owned or contracted for by the Company ("TRG Portfolio") that meet the definition of renewable energy in Code § 56-576.<sup>4</sup> In

<sup>&</sup>lt;sup>1</sup> Application at 1.

<sup>&</sup>lt;sup>2</sup> *Id*. at 9.

<sup>&</sup>lt;sup>3</sup> *Id*.

<sup>&</sup>lt;sup>4</sup> Application of Virginia Electric and Power Company, For approval of a 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia, Case No. PUR-2019-00094, Doc. Con. Cen. No. 200710052, Order Approving Tariff (July 2, 2020) ("Order Approving Tariff").

that case, the Commission approved the following resources for inclusion in the TRG Portfolio: the Scott, Whitehouse, and Woodland solar facilities; the Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements; the Gaston and Roanoke Rapids hydro facilities; and the Altavista, Hopewell, and Southampton biomass units.<sup>5</sup>

Customers electing to participate in Rider TRG pay a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of renewable energy certificates ("RECs") as a proxy for this premium ("Rider TRG Rate").<sup>6</sup> In Case No. PUR-2019-00094, the Commission approved a Rider TRG Rate of \$3.98 per megawatt hour ("MWh"), which was the weighted average value of the RECs produced by all of the resources in the approved TRG Portfolio.<sup>7</sup>

Dominion is not proposing to add any new renewable energy resources to the TRG Portfolio at this time.<sup>8</sup> Further, Dominion proposes to charge participating customers the previously approved Rider TRG Rate of \$3.98 per MWh.<sup>9</sup> This represents a charge over standard service of 3.28% for participating customers.<sup>10</sup>

The Company states that it calculates the current market value of the RECs in the TRG Portfolio to be \$6.91 per MWh.<sup>11</sup> Dominion, however, is not proposing to increase the

<sup>&</sup>lt;sup>5</sup> *Id.* at 1-2, 9-12; Application at 5.

<sup>&</sup>lt;sup>6</sup> Application at 7.

<sup>&</sup>lt;sup>7</sup> See id.; Order Approving Tariff at 2, 9-12.

<sup>&</sup>lt;sup>8</sup> Application at 5, 10.

<sup>9</sup> Id. at 7, 10.

<sup>10</sup> Id. at 7.

<sup>11</sup> Id.

previously approved Rider TRG Rate in order to "ensure a successful start of the program," which is still in its first year of implementation, and to "facilitate new customer enrollment." Instead, Dominion proposes for the Company to cover the difference between the \$3.98 per MWh charged to customers and the full market value of the RECs of \$6.91 per MWh, for the period July 1, 2021, through June 30, 2022. 13

Dominion asserts that Rider TRG continues to be just, reasonable, and in the public interest and is designed to hold non-participating customers substantially harmless. <sup>14</sup> Further, the Company states that Rider TRG continues to advance the policy objectives of Code § 56-577 A 5, the Commonwealth Energy Policy set forth in Code §§ 67-101 and 67-102, and remains consistent with the goals of the Virginia Energy Plan to accelerate the development of renewable energy resources in Virginia to ensure a diverse fuel mix and promote long-term economic health. <sup>15</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; the Company should provide public notice of its

Application; interested persons should have an opportunity to file comments on the Application, file a notice of participation as a respondent, or request that a hearing be convened; the

Commission's Staff ("Staff") should be directed to investigate the Application and present its findings and recommendations in a report; and a Hearing Examiner should be assigned to rule on any discovery matters that arise during the course of this proceeding.

<sup>&</sup>lt;sup>12</sup> Id.

<sup>13</sup> Id. at 7-8.

<sup>14</sup> Id. at 8.

<sup>15</sup> *Id.* at 8-9.

The Commission takes judicial notice of the ongoing public health concern related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding. 

Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of documents, unless they contain confidential information, and require electronic service on parties to this proceeding.

# Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2021-00138.
- (2) All pleadings in this matter should be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). <sup>17</sup> Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. At this time, any person seeking to hand deliver and

<sup>&</sup>lt;sup>16</sup> See, e.g., Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020), extended by Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>&</sup>lt;sup>17</sup> 5 VAC 5-20-10 et seq.

physically file or submit any pleading or other document shall contact the Clerk's Office

Document Control Center at (804) 371-9838 to arrange the delivery. 18

- (3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.
- (4) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before Hearing Examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.
- (5) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or <a href="mailto:eryan@mcguirewoods.com">eryan@mcguirewoods.com</a>. Interested persons also may download unofficial copies of the Application, and the public version of other documents filed in this case, from the Commission's website: <a href="mailto:scc.virginia.gov/pages/Case-Information">scc.virginia.gov/pages/Case-Information</a>.

<sup>&</sup>lt;sup>18</sup> As noted in the Commission's March 19, 2020 Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency in Case No. CLK-2020-00005, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency. *See id.* 

(6) On or before August 27, 2021, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's Virginia service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY VIRGINIA ELECTRIC AND POWER COMPANY FOR AN UPDATE OF THE 100 PERCENT RENEWABLE ENERGY TARIFF, DESIGNATED RIDER TRG CASE NO. PUR-2021-00138

- Virginia Electric and Power Company d/b/a
   Dominion Energy Virginia ("Dominion") has filed
   an annual update of its 100 percent renewable
   energy tariff, designated Rider TRG.
- Rider TRG is a voluntary tariff whereby participating customers can elect to purchase 100 percent of their energy and capacity needs from renewable energy resources.
- Dominion proposes to maintain the same rate for Rider TRG of \$3.98 per megawatt hour that was previously approved by the State Corporation Commission in Case No. PUR-2019-00094.
- Further information about this case is available on the SCC website at: scc.virginia.gov/pages/Case-Information.

On July 1, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to §§ 56-577 A 5 and 56-234 A of the Code of Virginia ("Code") for an annual update of its voluntary 100 percent renewable energy tariff, designated Rider TRG. The Application explains that Dominion began offering Rider TRG in July 2020. According to Dominion, as of June 14, 2021, approximately 2,438 customers were enrolled in Rider TRG, and participation continues to grow as more customers become aware of it.

In Case No. PUR-2019-00094, the Commission approved Rider TRG, whereby participating customers can voluntarily elect to purchase 100 percent of their energy and capacity needs sourced from a portfolio of renewable energy resources owned or contracted for by the Company ("TRG Portfolio") that meet the definition of renewable energy in Code § 56-576. In that case, the Commission approved the following resources for inclusion in the TRG Portfolio: the Scott, Whitehouse, and Woodland solar facilities; the Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements; the Gaston and Roanoke Rapids hydro facilities; and the Altavista, Hopewell, and Southampton biomass units.

Customers electing to participate in Rider TRG pay a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of renewable energy certificates ("RECs") as a proxy for this premium ("Rider TRG Rate"). In Case No. PUR-2019-00094, the Commission approved a Rider TRG Rate of \$3.98 per megawatt hour ("MWh"), which was the weighted average value of the RECs produced by all of the resources in the approved TRG Portfolio.

Dominion is not proposing to add any new renewable energy resources to the TRG Portfolio at this time. Further, Dominion proposes to charge participating customers the previously approved Rider TRG Rate of \$3.98 per MWh. This represents a charge over standard service of 3.28% for participating customers.

The Company states that it calculates the current market value of the RECs in the TRG Portfolio to be \$6.91 per MWh. Dominion, however, is not proposing to increase the previously approved Rider TRG Rate in order to "ensure a successful start of the program," which is still in its first year of implementation, and to "facilitate new customer enrollment." Instead, Dominion proposes for the Company to cover the difference between the \$3.98 per MWh charged to customers and the full market value of the RECs of \$6.91 per MWh, for the period July 1, 2021, through June 30, 2022.

Dominion asserts that Rider TRG continues to be just, reasonable, and in the public interest and is designed to hold non-participating customers substantially harmless. Further, the Company states that Rider TRG continues to advance the policy objectives of Code § 56-577 A 5, the Commonwealth Energy Policy set forth in Code §§ 67-101 and 67-102, and remains

consistent with the goals of the Virginia Energy Plan to accelerate the development of renewable energy resources in Virginia to ensure a diverse fuel mix and promote long-term economic health.

Interested persons are encouraged to review the Application and supporting documents for further details of the Company's proposals.

The Commission has taken judicial notice of the ongoing public health concern related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. At this time, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or <a href="mailto:eryan@mcguirewoods.com">eryan@mcguirewoods.com</a>.

On or before September 24, 2021, any interested person may file comments on the Application by following the instructions on the Commission's website: <a href="mailto:scc.virginia.gov/casecomments/Submit-Public-Comments">scc.virginia.gov/casecomments/Submit-Public-Comments</a> or by filing such comments with the Clerk of the State Corporation Commission c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2021-00138.

On or before September 24, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at the address above or at scc.virginia.gov/clk/efiling. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, Participation as a respondent, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, Counsel, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00138.

On or before September 24, 2021, any interested person may file a written request for a hearing with the Clerk of the Commission at the address above or at <a href="scc.virginia.gov/clk/efiling">scc.virginia.gov/clk/efiling</a>, and the interested person simultaneously shall serve a copy of the hearing request on counsel to the Company. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2021-00138.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Comment, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

The Company's Application and the public version of other documents filed in this case, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment, may be viewed at: <a href="scc.virginia.gov/pages/Case-Information">scc.virginia.gov/pages/Case-Information</a>.

### VIRGINIA ELECTRIC AND POWER COMPANY

(7) On or before August 27, 2021, the Company shall serve a copy of this Order for Notice and Comment on the following local officials, to the extent the position exists, in each

county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

- (8) On or before September 17, 2021, the Company shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at scc.virginia.gov/clk/efiling/.
- (9) On or before September 24, 2021, any interested person may file written comments on the Application by following the instructions on the Commission's website:

  scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the Commission at the address in Ordering Paragraph (8). All comments shall refer to Case No. PUR-2021-00138.
- (10) On or before September 24, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at the address in Ordering Paragraph (8) or at <a href="scc.virginia.gov/clk/efiling">scc.virginia.gov/clk/efiling</a>. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, Participation as a respondent, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest

of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00138.

- (11) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of its Application on the respondent.
- (12) On or before September 24, 2021, any interested person may file a written request for a hearing with the Clerk of the Commission at the address in Ordering Paragraph (8) or at <a href="mailto:scc.virginia.gov/clk/efiling">scc.virginia.gov/clk/efiling</a>. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. The interested person simultaneously shall serve a copy of the hearing request on counsel to the Company. All requests for a hearing shall refer to Case No. PUR-2021-00138.
- (13) The Staff shall investigate the Application. On or before October 8, 2021, the Staff shall file with the Clerk of the Commission a report containing its findings and recommendations and simultaneously shall serve a copy of the same on counsel to the Company and all respondents.
- (14) On or before October 29, 2021, Dominion may file with the Clerk of the Commission any comments on the Staff's report, comments from interested persons, and requests for hearing that were filed with the Commission. The Company simultaneously shall serve a copy of its comments on the Staff and all respondents.

- (15) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.
- (16) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff. Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq*.

### (17) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

<sup>&</sup>lt;sup>19</sup> The assigned Staff attorney is identified on the Commission's website, <u>scc.virginia.gov/pages/Case-Information</u>, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2021-00138 in the appropriate box.